

Module 13A Simulation

**Completing a Tax Return
Using Head of Household
Filing Status**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15



In this simulation, you will take on the role of Madison R. Mailey in order to learn how to complete a tax return using Head of Household filing status.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15



Module 13A Simulation



You are single. You have a child, Robyn, age 7. You live in the United States. You and Robyn are citizens of the United States.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15



Module 13A Simulation



You are a caterer. Robyn lived with you during the entire tax year in the family home. No one except Robyn depends on you for income or support. No one else can claim you as a dependent. While you are at work, Robyn stays at the Anytown Daycare Center, tax identification number 10-0124578. You meet all the qualifications to claim Head of Household filing status.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15



Module 13A Simulation



Robyn did not have any income for the year. You provided all of the support for Robyn. You provided all of the costs to maintain the family home. During the tax year, you paid \$2,365 for daycare for Robyn while you were at work. You did not receive dependent care assistance from your employer.

To review your personal information, click ***My Profile*** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Profile

Name: Madison R. Mailey

Employment: Caterer

Marital status: Single

Spouse's name (if any): N/A

Children: Robyn, age 7

U.S. citizen: Yes

Other: Robyn lived with you during the entire tax year in the family home. No one except Robyn depends on you for income or support. No one else can claim you as a dependent. While you are at work, Robyn stays at the Anytown Daycare Center, tax identification number 10-0124578. You meet all the qualifications to claim Head of Household filing status. Robyn did not have any income for the year. You provided all of the support for Robyn. You provided all of the costs to maintain the family home. During the tax year, you paid \$2365.00 for daycare for Robyn while you were at work. You did not receive dependent care assistance from your employer.

Module 13A Simulation



It's the end of the tax year. You receive your W-2 from your employer.
You earned \$45,216 from your job.


Note: Your employer is required to send your W-2 by January 31!

To review your Form W-2, click **My Form W-2** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2

a Employee's social security number		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile .	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld			
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld			
		5 Medicare wages and tips		6 Medicare tax withheld			
		7 Social security tips		8 Allocated tips			
d Control number		9 Advance EIC payment		10 Dependent care benefits			
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12			
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b			
		14 Other		12c			
				12d			
f Employee's address and ZIP code							
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** **Wage and Tax Statement**

2007

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Module 13A Simulation



You have everything you need to file your taxes. You will be using Form 1040A based on your filing status.

Form 1040A Label (See page 18.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign Filing	Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return (99) 2007		IRS Use Only—Do not write or staple in this space. OMB No. 1545-0074	
	Your first name and initial Madison R.		Last name Mailey	
	If a joint return, spouse's first name and initial		Last name	
	Home address (number and street). If you have a P.O. box, see page 18. 3142 Grove Park		Apt. no.	
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. Anytown, US 10012		Your social security number 222 00 4444 Spouse's social security number : : : : ▲ You must enter your SSN(s) above. ▲	
Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ▶ <input type="checkbox"/> You <input type="checkbox"/> Spouse				
Filing 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 4 <input type="checkbox"/> Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent				

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2

Module 13A Simulation



Are the Dependency Tests Met for Robyn Mailey?

Dependent Taxpayer Test	yes	no	
Joint Return Test	yes	no	
Citizenship or Resident Test	yes	no	
Relationship Test	yes	no	
Age Test	yes	no	
Residency Test	yes	no	
Support Test	yes	no	
Special Test for Qualifying Child of More Than One Person	yes	no	does not apply

Can you claim Robyn as a dependent on your tax return?

yes no

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2

Module 13A Simulation



Well done!

Robyn meets the Dependent Taxpayer Test — she is not claiming another person.

Robyn meets the Joint Return Test — she has no income and will not file a tax return this year.

Robyn meets the Citizen or Resident Test — she is a United States citizen.

Robyn meets the Relationship Test — she is your daughter.

Robyn meets the Age Test — Robyn is 7.

Robyn meets the Residency Test — Robyn lived with you all year.

Robyn meets the Support Test — you provided all of Robyn's support.

Special Test for Qualifying Child of More Than One Person does not apply to Robyn— she is not the qualifying child of another person.

All of the tests are met. You can claim Robyn as a dependent on your tax return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2

Module 13A Simulation



Did you pay a person or an organization to provide care for your child or children under age 13?

yes
no

If yes, do you claim your child or children as dependents on your tax return?

yes
no

If yes, you have at least one qualifying person.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2



Module 13A Simulation



Did you pay a person or an organization to provide care for a person, other than a child, who is physically or mentally incapable of self-care?

yes no

If yes, is the person claimed as a dependent on your tax return?

yes no

If yes, you have at least one qualifying person.

If no, could you claim the person as a dependent if his or her gross income was less than the exemption amount?

yes no

If yes, you have at least one qualifying person.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2



Module 13A Simulation



Did you pay a person or an organization to provide care for your spouse who is incapable of self-care?

yes

no

If yes, you have at least one qualifying person.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2



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Enter the name of a qualifying person for whom care was provided (for example, Bob Smith):

Enter the amount of qualifying expenses paid exactly as it appears in your profile:

\$

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile

My Form W-2



Module 13A Simulation



Did you maintain a home that was also the home of a qualifying person?

yes no

If no, you cannot claim the credit for child and dependent care expenses.

Did you pay a person, not an organization, to provide care for a qualifying person?

yes no

Can you claim the care provider as a dependent on your tax return?

yes no

If yes, you cannot claim the credit for child and dependent care expenses.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

Module 13A Simulation



Did you pay an organization to provide care for a qualifying person?

yes no

If yes, enter the following information:

Provider's name exactly as it appears in your profile:

Provider's tax identification number exactly as it appears in your profile:

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2



Module 13A Simulation



Did you receive any dependent care assistance from your employer?

yes

no

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2



Module 13A Simulation



Use Form W-2 to enter your salary on Form 1040A. Enter your salary exactly as it appears on your W-2.

Enter salary: \$

Form 1040A Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return (02) 2007 IRS Use Only—Do not write or staple in this space. OMB No. 1545-0074

Label (See page 18.) Your first name and initial Last name
Madison R. **Mailey**
 If a joint return, spouse's first name and initial Last name

Use the IRS label. Otherwise, please print or type.
Home address (number and street). If you have a P.O. box, see page 18. Apt. no.
3142 Grove Park
 City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.
Anytown, US 10012

Your social security number
222 | 00 | 4444
Spouse's social security number
 You must enter your SSN(s) above.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ☐ You ☐ Spouse

Filing status Check only one box.
 1 ☐ Single
 2 ☐ Married filing jointly (even if only one had income)
 3 ☐ Married filing separately. Enter spouse's SSN above and full name here. **4 ☒ Head of household (with qualifying person). (See page 19.)**
 If the qualifying person is a child but not your dependent, enter this child's name here. **5 ☐ Qualifying widow(er) with dependent child (see page 20)**

Exemptions
 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.
 b ☐ Spouse
 c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21)
Robyn M.	Mailey	222 00 2222	daughter	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

If more than six dependents, see page 21.

Boxes checked on 6a and 6b
 No. of children on 6c who:
 • lived with you **1**
 • did not live with you due to divorce or separation (see page 22)
 Dependents on 6c not entered above
 Add numbers on lines above **2**

d Total number of exemptions claimed.

Income
 Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.	7	
8a Taxable interest. Attach Schedule 1 if required.	8a	
b Tax-exempt interest. Do not include on line 8a.	8b	
9a Ordinary dividends. Attach Schedule 1 if required.	9a	
b Qualified dividends (see page 25).	9b	
10 Capital gain distributions (see page 25).	10	

Hint: See Box 1 on your Form W-2.

Module 13A Simulation



Use your Form W-2 to enter your federal tax withheld on your Form 1040A.
Enter your tax withheld exactly as it appears on your W-2.

Enter federal tax withheld: \$

Form 1040A U.S. Individual Income Tax Return (99) 2007

Department of the Treasury—Internal Revenue Service

IRS Use Only—Do not write or staple in this space.

OMB No. 1545-0074

Label (See page 18.)

Use the IRS label. Otherwise, please print or type.

Label (See page 18.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ☐ You ☐ Spouse

Filing status Check only one box.

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶

4 ☒ Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (see page 20)

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☐ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21)
Robyn M.	Mailey	222 00 2222	daughter	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

If more than six dependents, see page 21.

d Total number of exemptions claimed. **2**

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2. **45216**

8a Taxable interest. Attach Schedule 1 if required. 8a

b Tax-exempt interest. Do not include on line 8a. 8b

9a Ordinary dividends. Attach Schedule 1 if required. 9a

b Qualified dividends (see page 25). 9b

10 Capital gain distributions (see page 25). 10

Hint: See Box 2 on your Form W-2.

Module 13A Simulation



Since you have no other sources of income, you have completed your tax return. All that's left to do is review your return.

To review your return, click ***My Tax Form*** below.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

My Tax Form

1040A**U.S. Individual Income Tax Return**

(99)

2007

IRS Use Only—Do not write or staple in this space.

Label

(See page 18.)

Use the IRS label.

Otherwise, please print or type.

Presidential**Election Campaign**L
A
B
E
L

H
E
R
E

Your first name and initial

Last name

If a joint return, spouse's first name and initial

Last name

Home address (number and street). If you have a P.O. box, see page 18.

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.

OMB No. 1545-0074

Your social security number**Spouse's social security number**

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18)

☐ You ☐ Spouse**Filing status**

Check only one box.

1 ☐ Single**2** ☐ Married filing jointly (even if only one had income)**3** ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶**4** ☐ Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶**5** ☐ Qualifying widow(er) with dependent child (see page 20)**Exemptions****6a** ☐ Yourself. If someone can claim you as a dependent, **do not** check box 6a.**b** ☐ Spouse**c Dependents:**

(1) First name

Last name

(2) Dependent's social security number

(3) Dependent's relationship to you

(4) ☒ If qualifying child for child tax credit (see page 21)

If more than six dependents, see page 21.

Boxes checked on 6a and 6b

No. of children on 6c who:

• lived with you

• did not live with you due to divorce or separation (see page 22)

Dependents on 6c not entered above

Add numbers on lines above ▶

d Total number of exemptions claimed.**Income****Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.**

If you did not get a W-2, see page 24.

Enclose, but do not attach, any payment.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.**7****8a** Taxable interest. Attach Schedule 1 if required.**8a****b** Tax-exempt interest. Do not include on line 8a.**8b****9a** Ordinary dividends. Attach Schedule 1 if required.**9a****b** Qualified dividends (see page 25).**9b****10** Capital gain distributions (see page 25).**10****11a** IRA distributions.**11a****11b** Taxable amount (see page 25).**11b****12a** Pensions and annuities.**12a****12b** Taxable amount (see page 26).**12b****13** Unemployment compensation and Alaska Permanent Fund dividends.**13****14a** Social security benefits.**14a****14b** Taxable amount (see page 28).**14b****15** Add lines 7 through 14b (far right column). This is your **total income**.**15****Adjusted gross income****16** Educator expenses (see page 28).**16****17** IRA deduction (see page 28).**17****18** Student loan interest deduction (see page 31).**18****19** Tuition and fees deduction. Attach Form 8917.**19****20** Add lines 16 through 19. These are your **total adjustments**.**20****21** Subtract line 20 from line 15. This is your **adjusted gross income**.**21**

Tax, credits, and payments

Standard Deduction for—

- People who checked any box on line 23a or 23b or who can be claimed as a dependent, see page 32.

- All others:
Single or
Married filing
separately,
\$5,350

Married filing
jointly or
Qualifying
widow(er),
\$10,700

Head of household, \$7,850

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit?
See page 53
and fill in
44b, 44c,
and 44d or
Form 8888.

**Amount
you owe**

**Third party
designee**

**Sign
here**

Joint return?
See page 18.
Keep a copy
for your
records.

Paid preparer's use only

22	Enter the amount from line 21 (adjusted gross income).	22	
23a	Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind if: <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind } Total boxes checked ▶ 23a <input type="checkbox"/>		
b	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here ▶ 23b <input type="checkbox"/>		
24	Enter your standard deduction (see left margin).	24	
25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	
26	If line 22 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 22 is over \$117,300, see the worksheet on page 32.	26	
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income .	▶ 27	
28	Tax , including any alternative minimum tax (see page 32).	28	
29	Credit for child and dependent care expenses. Attach Schedule 2.	29	
30	Credit for the elderly or the disabled. Attach Schedule 3.	30	
31	Education credits. Attach Form 8863.	31	
32	Child tax credit (see page 37). Attach Form 8901 if required.	32	
33	Retirement savings contributions credit. Attach Form 8880.	33	
34	Add lines 29 through 33. These are your total credits .	34	
35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-.	35	
36	Advance earned income credit payments from Form(s) W-2, box 9.	36	
37	Add lines 35 and 36. This is your total tax .	▶ 37	
38	Federal income tax withheld from Forms W-2 and 1099.	38	
39	2007 estimated tax payments and amount applied from 2006 return.	39	
40a	Earned income credit (EIC) .	40a	
b	Nontaxable combat pay election.	40b	
41	Additional child tax credit. Attach Form 8812.	41	
42	Add lines 38, 39, 40a, and 41. These are your total payments .	▶ 42	
43	If line 42 is more than line 37, subtract line 37 from line 42. This is the amount you overpaid .	43	
44a	Amount of line 43 you want refunded to you . If Form 8888 is attached, check here ▶ <input type="checkbox"/> 44a		
▶ b	Routing number <input type="text"/>	▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
▶ d	Account number <input type="text"/>		
45	Amount of line 43 you want applied to your 2008 estimated tax .	45	
46	Amount you owe . Subtract line 42 from line 37. For details on how to pay, see page 54.	▶ 46	
47	Estimated tax penalty (see page 54).	47	
Do you want to allow another person to discuss this return with the IRS (see page 55)? <input type="checkbox"/> Yes . Complete the following. <input type="checkbox"/> No			
Designee's name ▶ <input type="text"/>		Phone no. ▶ (<input type="text"/>) <input type="text"/>	Personal identification number (PIN) ▶ <input type="text"/>
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.			
Your signature <input type="text"/>		Date <input type="text"/>	Your occupation <input type="text"/>
Spouse's signature. If a joint return, both must sign. <input type="text"/>		Date <input type="text"/>	Spouse's occupation <input type="text"/>
Preparer's signature ▶ <input type="text"/>		Date <input type="text"/>	Preparer's SSN or PTIN <input type="text"/>
Firm's name (or yours if self-employed), address, and ZIP code ▶ <input type="text"/>		EIN <input type="text"/>	Phone no. (<input type="text"/>) <input type="text"/>

Module 13A Simulation



Based on your completed tax return, enter your tax for the year. Enter the tax exactly as it appears on your 1040A.

Enter tax: \$

Hint: See Line 28 on Form 1040A.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

My Tax Form

Module 13A Simulation



Correct! Your tax is \$4,194.00.

Enter your credit for child and dependent care expenses exactly as it appears on your tax return:

\$

The child tax credit is not covered in this lesson, but you are eligible to claim the child tax credit, which is \$1,000 for each qualifying child under age 17.

Enter your child tax credit (for example, 2000.00):

\$

Hint: See Lines 29 and 32 on Form 1040A.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

My Tax Form

Module 13A Simulation



That's right! Your credit for child and dependent care expenses is \$473.00.
Your child tax credit is \$1,000.00.

Enter your total tax exactly as it appears on your 1040A:

\$

How did the credits affect the total tax?

They increased the total tax.

They decreased the total tax.

They did not affect the total tax.

Hint: See Line 37 on Form 1040A.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

My Tax Form

Module 13A Simulation



That's right! Your total tax is \$2,721.00. The tax credits decreased your tax from \$4,139.00 to \$2,721.00.

Are you getting a refund or do you owe more tax?

Refund

Owe more taxes

Hint: See Line 44a on Form 1040A.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

My Tax Form

Module 13A Simulation



Yes! Line 44a on your Form 1040A shows that your refund is \$1,214.

Lines 44b, c, and d indicate that your refund will be directly deposited into your checking account.

Now you are ready to e-file your tax return with the IRS. Click the e-file button below to continue.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

My Tax Form



Module 13A Simulation



If you were actually filing your taxes online, the last step would be signing the return. You can submit your signature by actually signing Form 8453 and sending it to the IRS, or by using Self-Select PIN (Personal Identification Number) if you are eligible.

The Self-Select PIN is made up of any five numbers (except all zeros) that you choose to enter as your electronic signature. You select your PIN by providing your adjusted gross income from your previous year's tax return for verification purposes. Depending on the version of the software you are using, you may be asked to provide your date of birth in addition to your adjusted gross income.

Signing your return using Self-Select PIN is the simplest and fastest way to submit your signature. You do not need to mail in a paper signature, and you receive an immediate acknowledgement that your tax return was received.

Learn more about self-selecting a PIN by visiting the [IRS Web site](#).

Now click the forward arrow below to finish filing Madison's return.

15 16 17 18 19 20 21 22 23 24 25 26 27

My Profile

My Form W-2

My Tax Form

Module 13A Simulation



Congratulations, Madison! You've successfully filed your return by the tax filing deadline.

15 16 17 18 19 20 21 22 23 24 25 26 27

